

**CUMBERLAND COUNTY, PENNSYLVANIA
APPLICATION FOR FUNDING
CDBG-CV Program**

GUIDELINES

General Guidelines

Before preparing an application, consider the following:

- Does the proposed project address an unmet need?
- Is the proposed project an eligible CDBG activity? See the list of eligible activities below.
- Does the proposed project address one of the National Objectives - Low/Moderate Income (LMI) Benefit or elimination of Slums and Blight?
- Are the capacity and funding in place to complete the project?

Competitiveness: Because of community needs as a result of the COVID-19 situation, we anticipate that this application process will be very competitive. Three items may improve the competitiveness of the application:

- 1) The nature of the critical, unmet need.
- 2) The completeness of the application. The more supporting documentation that provides a clear understanding of the need and the details of the project scope, the easier it will be to weigh the benefits of the application against others.
- 3) The presence of local match in the project. A general rule is a minimum of 10% match to the CDBG request, with greater consideration given to applicants with larger match commitments.

ELIGIBLE ACTIVITIES

Public Facilities:

All activities must either principally benefit LMI persons or eliminate slums and blight. Public facility activities must benefit a predominately residential area. The following are some examples: acquisition of real property, relocation, clearance/demolition, construction and reconstruction of public facilities and infrastructure (e.g., streets, curbs and sidewalks, community centers, ADA improvements).

Public Services:

There are a wide range of public service activities but in order to receive initial funding through the CDBG program, the service must be new or represent a quantifiable increase in the level of an existing service. Public services must benefit LMI persons. Certain populations are presumed by HUD to be LMI (e.g., abused children, battered spouses, the elderly, severely disabled adults ages 15 or older, homeless persons, persons with AIDS). Under CDBG-CV, the 15 % Public Service cap is suspended.

Public services include but are not limited to: child care, health care, job training, education programs, public safety, services for homeless, services for senior citizens, drug abuse counseling and treatment, and emergency payments (no more than three (3) months) to individuals for food, clothing, rent, utilities, or other income payments.

Code Enforcement:

Code enforcement involves the payment of salaries and overhead costs directly related to the enforcement of state and/or local codes. CDBG funds may be used for code enforcement only in deteriorating or deteriorated areas where enforcement, together with public or private improvements, may be expected to arrest the decline of the area.

Income Payments:

Income payments are generally ineligible under the CDBG program except in emergency situations. Income payments are defined as a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, rent or mortgage payments, and utility payments.

Payments may only be made for a period of up to three (3) months and must be paid directly to the provider of such items or services on behalf of an individual or family. Income payments may be authorized as a public service.

Economic Development Activities:

CDBG funds may be used for the following special economic development activities:

- Grants
- Loans
- Loan guarantees
- Interest supplements
- Technical assistance

Economic development services - in connection with the above activities - include outreach efforts to market the program, screening of applicants, reviewing and underwriting applications for assistance, preparation of agreements, and management of assisted activities. The costs of providing necessary job training for persons filling those positions may also be provided.

The applicant must take appropriate steps to manage the loan portfolio. It should also be noted that business activity involves risk, and it is possible the contemplated results may not materialize. Applicants must therefore maintain proper documentation in the activity file and offer technical assistance to avoid non-compliance.

The applicant must also demonstrate that the activity meets a public benefit.

KEY FEDERAL PROGRAM REQUIREMENTS

The following is **not** a complete list of all CDBG program requirements.

Davis-Bacon Act Requirements: The Davis-Bacon Act (DBA) requires the payment of prevailing wage rates to all laborers and mechanics on federal government construction projects **in excess of \$2,000**. Construction includes alteration and/or repair, including painting and decorating, of public buildings or public works. When calculating the budget for a project, make sure DBA requirements are considered. Residential properties with fewer than eight (8) units are exempt from this requirement.

Procurement Requirements: Federal procurement standards and procedures require that goods and services acquired with federal funds are obtained in the most efficient and cost-effective manner possible. This means employing free and open competition to the maximum extent possible. There are three commonly-used approaches to procurement:

- *Small Purchases:* Purchases are made following oral or written solicitation of an adequate number (usually 3) of price quotes to ensure best price. The solicitations must be documented and on file.
- *Competitive Sealed Bids:* Applicable to firm, fixed price contracts where price is the principal factor. Invitation to bid must be advertised, and bids opened publicly.
- *Competitive Proposals:* Contract is based on information provided in response to a Request for Proposals (RFP). This method is used most often for professional services contracts such as consulting, engineering, and architectural services.

A fourth procurement method:

- *Non-competitive Proposals/Sole Source:* Allowable only under very limited circumstances.

Environmental Review: All CDBG projects require the completion of an Environmental Review prior to initiating the project. Be advised that should the applicant be successful in receiving CDBG program funds, no action may commence on the project until the completion of the Environmental Review and the County has issued a Notice to Proceed. Failure to comply with these requirements will result in the loss of grant funds.

DEFINITIONS

Family - All persons living in the same household who are related by birth, marriage, or adoption.

Household - All persons who occupy a housing unit. A household may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Very Low Income - A family whose gross annual income does not exceed 30 percent of the median income for the area, as determined by HUD. Corresponds to “Extremely Low Income” in the table below.

Low Income – A family whose gross annual income does not exceed 50 percent of the median income for the area, as determined by HUD. Corresponds to “Very Low Income” in the table below.

Moderate Income - A family whose gross annual income does not exceed 80 percent of the median income for the area, as determined by HUD. Corresponds to “Low Income” in the table below.

Median Family Income	FY 2020 Income Limit Category	Persons in Family							
		1	2	3	4	5	6	7	8
\$85,000	Very Low (50%) Income Limits (\$)	29,750	34,000	38,250	42,500	45,900	49,300	52,700	56,100
	Extremely Low Income Limits (\$)*	17,850	20,400	22,950	26,200	30,680	35,160	39,640	44,120
	Low (80%) Income Limits (\$)	47,600	54,400	61,200	68,000	73,450	78,900	84,350	89,800

Source: <https://www.huduser.gov/portal/datasets/il.html>